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2006

» **SAUDI POST REVOLUTIONIZES SYSTEM**



## SPC BECOMES MORE EFFICIENT, INCORPORATING NEW TECHNOLOGY INTO THEIR POSTAL SERVICES

Postal services are undergoing a revolution with the introduction of a state-of-the-art delivery system that allows Saudis to post and receive mail without leaving home and utilises satellite technology to direct postmen to the correct address.



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The establishment by [Saudi Post Corporation \(SPC\)](#) of an efficient hi-tech postal system will make a major contribution to the development of e-commerce and e-government in the kingdom, facilitating delivery services and online shopping.

Backed by four Saudi consortia which have invested hundreds of millions of dollars, the national postal carrier has been undertaking the phased introduction of a new doorstep pick-up and delivery system known as Wasel.

The new pick-up and delivery Wasel system outfits mailboxes with a smart chip.

Individual mailboxes are being installed at homes and business addresses across the kingdom at a rate of 6,000 a day. Over a two-year period, five million will be put in place.

Each mailbox is fitted with a smart chip that enables postmen to find the right destination by using GIS and GPS (geographic information and global positioning systems) technology. Subscribers pay an annual fee of \$80 to use the boxes for receiving and sending letters and parcels, removing the former need to visit a post office. Subscribers have the options of putting the service on hold for up to three months, forwarding mail to other addresses in Saudi Arabia and receiving items sent to his P.O. Box with no additional charge.

A track and trace system makes it possible to follow the

Team responsible for the  
on Saudi Arabia:  
**Philippe van Maldeghem**  
**Casilda Uriarte**

Useful websites:

- [www.britishembassy.gov](http://www.britishembassy.gov)
- [www.ukemb.mofa.gov](http://www.ukemb.mofa.gov)
- [www.sec.gov.sa](http://www.sec.gov.sa)
- [www.saudinf.com](http://www.saudinf.com)
- [www.saudia-online.cc](http://www.saudia-online.cc)
- [www.abcc.org.uk](http://www.abcc.org.uk)



Last May SPC was nominated for two awards in Paris, one for quality and the other for customer care.

A track and trace system makes it possible to follow the progress of mail on the internet, and the boxes provide a "digital signature" for registered and express deliveries without the recipient having to be there.

Launched last year in Riyadh and rapidly being extended, the service is believed to be one of the largest radio frequency identification (RFID) projects in the world.

A crucial element is the introduction of a new addressing system with every residence, office and shop in the country assigned a unique five-digit zip code and eight-digit location code. This enables the mail to be sorted electronically by newly installed Siemens machines located at sorting centres in Riyadh, Jeddah and Dammam. With a sorting capacity of 40,000 items per hour, the machines can cope with the increase in volume as the Wasel service is fully implemented.

SPC is in the process of upgrading the efficiency and competitiveness of its operations ahead of its eventual privatisation. The company, which was shortlisted both for quality and customer service in the 2006 World Mail Awards, is transforming itself into a diversified business with a wide range of activities, organised into strategic business units.

To reduce transport costs and secure a foothold in the logistics market, SPC has acquired 51 per cent of a delivery company called Hala Express. Re-branded as Naqel, it will operate as a separate joint venture providing services to SPC on a commercial basis.

#### » **INTERVIEW: MOHAMMED BENTEN, PRESIDENT OF SAUDI POST**

### **‘THIS WILL BENEFIT EVERYONE AND CREATE AN ECONOMIC BOOM’**

The incorporation of new, high-tech systems into the Saudi postal network is not only changing the system, but it is opening up other opportunities for the kingdom. Here Mohammed Benten, President of Saudi Post, sheds some light on the subject.

Dr. Mohammed Benten, Saudi Post: You mentioned that it is about moving mailboxes to houses, but it is more than that. In fact, we had a problem in the country before, because we never had proper addressing. In Saudi Arabia, just like many countries, the concept of zip codes does not exist. Also, in the past, we used what we called "relative addressing". It is a very old technique, which consists in picking up a landmark and start describing the way to your house from that landmark. So this is how addressing used to be done; you would say the name of the street around it, or behind it so that people could get there.



Mohammed Benten, President of Saudi Post, explains how the new system of zip codes, internet and smart chips will change mail delivery in the Kingdom.

Of course, this system does not work when we talk about a huge number of mailed items. So we had to solve the problem. The other thing is the Arabic names. When I say "Mohammed Al Thaher Street", a French man would spell it differently than two British people. So we have a real problem. Street names in the West, like for example, in the United States, are not found in the dictionary. You cannot come up with a name and say: "this is going to be a street name".

But here, because of the culture, you may name the street in anyway, like for example with the names of historical legends, kings, princes, prominent personalities, or even heroes. This is all right; the problem is spelling. And 70% of our communication has Latin origins, which means that the name "Mohamed" can be written in so many ways ("Mo", "Ma", or "Mu").

So we looked at the problem and tried to investigate how we could get a standard address so that we would know exactly where the destination was just by passing it through the machine. First names would not work. Even Macca; people will still write it "Mecca", "Macca", or "Mekkah", and this would be a problem. Moreover, in Arabic, the handwriting would be impossible to recognize. But we realize that people's businesses will increase and the number of letters will increase. So there is no way we can rely on manual sorting. It has to be done by an automatic machine. So the automatic sorting machine will solve the problem of addressing.

We also should standardize addresses; Jeddah addresses are different from Riyadh addresses and from Damman addresses. Every city should have its own style of addressing. So we concentrated first on what should be the standard addressing. Is it going to be street number, street name, city, or zip code? Not a P.O. Box, a zip code. We should have house addresses, and we would like to make the permanent address part of the identity of the person. It is not enough to have a national identity number; you should also have a permanent address where the mail can be delivered.

Many Ministries have subscribed to this project. We knew that we needed it so we did it. And when we put this standard address, we were faced again with the problem of recognizing mails. But we worked hard on it. We used computer technology and many other advances in Internet, IP addresses, domain names...

Many things have evolved in the last ten years, but we should still utilize these techniques. If you are a university graduate, you know that the student number used to mean a lot. If you are a foreign student, you also know that numbers can mean a lot. So we wanted to use numbers. For example, a zip code should not exceed one squared kilometer, and when you look at the zip code, it should be rich with information about its location. You should be able to look at a map of the Kingdom and locate the area.

Also we would like to use the number of the street, designed in such way that if you know the zip code, you know its location by-the-meter (it should be a scale, not a static number, i.e. house number 1, house number 2...) within this zip code.

The other interesting thing is that we put other specifications. We also wanted a linear map between the GPS points and this simple addressing. In other words, if I give you the street number, the zip code, and the extended zip code, you should be able to tell me the GPS point. And if you give me a GPS point, I should tell you what the address is.

These are very high specifications added to addressing. We started researching in this area and succeeded in coming up with this simple mechanism. In fact many international postal companies would like to use this. There are so many countries in Africa and Asia that do not have proper addresses, street numbers and zip codes, so this solution could come handy.

We have been implementing this in Riyadh and in Jeddah. We are going at the rate of five thousand houses per day in Riyadh. It is a huge operation. We have already started in Jeddah, and we will start in the Eastern Province very soon. For every city we cover, we issue a guide. This is, for example, the Jeddah guide with all the zip codes. Every zip code is shown in here, and for simplicity, to let the people know how to use it, you can pick the street name and it tells you the page and the area within the page. So this is a full addressing guide that will be available on Internet very soon. In the G-Web, when you put the address, it will give you the map and you will be able to know exactly where the house is.

**P.M. Communications: How is the population reacting to this operation? Very positive, I suppose, but are they familiarized with this new technique which requires lots of up-to-date information?**

Dr. Mohammed Benten, Saudi Post: This is an interesting question. People are not used to home delivery. I lived in the West and I understand that mailboxes are part of our life, and we check it everyday. But people here are not used to checking their mailboxes or getting their mail delivered to their houses, so it will take a while.

In some modern countries there are specifications about how and where you install your mailbox. And you will not get the license for the house if you do not install the box and get the

number. Besides, you have to put your mailbox adjacent to the sidewalk so it can be accessible. If you put it away from the sidewalk, they do not deliver your mail, unless you pay a special subscription fee to the post. The other thing is that your mailbox cannot be locked with a lock; otherwise you have to pay an extra fee.

Now these are boxes that are going to be installed in the houses, but require somebody to go there. It has a lock, and it has a lot more features than regular boxes. They are more advanced than the regular mailboxes, and we do not take money, addresses are free.

We offer a subscription to anybody that wants to use a mailbox, and it has extra features. It is optional. He gets a mail forwarding service, which is, of course, paid. And he gets mail holding, multiple delivery per day, registers and parcel delivery by digital signature. "We just read the signature from the ID archive in the chip; he does not have to sign..."

You can see this is very advanced for the culture, just like when banks started to offer Internet service but nobody was using it. So it will take people some time to understand.

We expect that this will revolutionize the industry of home delivery, and it will even increase banking trust, as banks will know the customers' permanent addresses, so they will be able to give more loans. It will create an economic boom. You can go to the shop and just give him the address. And it is not a fake address like before, when he would go around and around looking and would never find out where the house was. Now it is a number.

So hundreds of delivery services will start to bloom, like e-government or e-business, but we still have the resistance from some people. I talked about this in many events in Europe, like in Stockholm at the pre-Nobel Prize show, and everybody just does not believe it. Postal Technology Magazine ranked us, among with the US, UK, Japan and Germany as one of the highest users of technology in the postal system.

And we have so many Post Companies from other countries scheduling visits to come to see us, especially in the Gulf area, where there is no addressing and people depend on mailboxes. They would like to use this addressing scheme.

**P.M. Communications: Could we say this service, which is quite revolutionary, will be under subscription?**

Dr. Mohammed Benten, Saudi Post: Using this service, that is, the addressing, is free. But the use of this box is not free, because it has been built by an investor, who has won the public tender.

We will provide mail forwarding, as I said. And also mail holding, permanent and temporary forwarding mail and electronic signature, so that clients do not have to sign for registered mail or EMS. Of course, we will deliver all the outgoing mail from his box, all for the price of three hundred Riyals per year, or about eighty USD. There are people who are not used to such activity, while others say that they will have it even if it is one thousand Riyals per year.

If you have a mailbox in the post office, how many times per month are you going there to check it? Each trip to the post office will cost ten Riyals and time. If you calculate it, it will cost much, much more than our mailbox. But it takes time, education, and production.

**P.M. Communications: Are those being installed at the moment the ones who have subscribed?**

Dr. Mohammed Benten, Saudi Post: No, we are installing them everywhere, and then it is up to them to subscribe or not. We are working on a huge campaign. We still have not started the subscription campaign. We started an introduction campaign, and we are observing the reaction of the people. We think that businesses will offer subscription services on behalf of the costumers. They can put an advertisement saying: "if you open an account, I will subscribe to you". So we are targeting not only the customers but also the businesses that are benefiting from knowing the real addresses of the people.

It is a very challenging project, a big change. And it is all connected; from the distribution, the high technology car and the control centre, to the counting and sorting machines. It is a full information system.

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